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FOR RELEASE SIX P.M. WEDNESDAY
EAST-WEST ECONOMIC RELATIONS

ANNCR:

FIFTEEN ECONOMISTS FROM THE EUROPEAN COMMUNITY, NORTH AMERICA AND JAPAN SAY THAT DESPITE THE DIFFICULTIES, THE POTENTIAL MUTUAL BENEFITS OF THE EAST-WEST ECONOMIC RELATIONSHIP MERIT CONTINUING EFFORTS TO BROADEN TRADE. VOA BUSINESS AND ECONOMICS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

THE ECONOMISTS SAY THAT THE EXPANSION OF EAST-WEST ECONOMIC RELATIONS SINCE THE NINETEEN-FIFTIES HAS BEEN "A USEFUL AND GAINFUL LINK BETWEEN DIFFERING POLITICAL AND ECONOMIC SYSTEMS." AND THE ECONOMISTS SAY FURTHER THAT SINCE BOTH SIDES GAIN FROM THE EXCHANGE OF GOODS AND TECHNOLOGY, THERE SHOULD BE MORE CO-ORDINATED POLICIES TO INCREASE THE GROWTH POTENTIAL OF EAST-WEST TRADE.

THE RECOMMENDATIONS OF THE NON-GOVERNMENT ECONOMISTS (PUBLISHED THURSDAY) ARE TITLED 'ECONOMIC RELATIONS BETWEEN EAST AND WEST: PROSPECTS AND PROBLEMS.' THE REPORT WAS RELEASED IN WASHINGTON BY THE PRIVATE BROOKINGS RESEARCH INSTITUTION.

IN THEIR STUDY THE ECONOMISTS REVIEW THE DIFFERENT REACTIONS IN THE WEST TOWARD THE EXPANDED ECONOMIC RELATIONSHIP WITH THE COMMUNIST STATES. ON ONE SIDE THERE HAS BEEN SUPPORT FOR WIDENING BUSINESS OPPORTUNITIES AS A DESIRABLE ADJUNCT OF POLITICAL DETENTE. THIS VIEW HAS LINKED EXPANDED ECONOMIC CO-OPERATION, IN CONJUNCTION WITH

POLICIES ENCOURAGING POLITICAL, SOCIAL AND CULTURAL LIBERALIZATION--WITH THE OBJECTIVE OF GRADUALLY BROADENING HUMAN RIGHTS, EMIGRATION, FREER FLOW OF INFORMATION AND INCREASED SCIENTIFIC AND CULTURAL EXCHANGES.

BUT AN OPPOSING VIEW HAS EMPHASIZED THE POTENTIAL DANGERS OF PROVIDING GOODS AND ADVANCED TECHNOLOGY TO A POLITICAL SYSTEM THAT CONTINUES TO PROCLAIM ITS HOSTILITY TO WESTERN CONCEPTS. THESE CRITICS OF AN EXPANDING ECONOMIC RELATIONSHIP ARGUE THAT TRADE HELPS A POTENTIAL ADVERSARY TO COPE WITH THE CHRONIC PROBLEMS ASSOCIATED WITH A CENTRALIZED ECONOMY. THEY CONTEND THAT TRADE AND CREDITS SHOULD BE CONDITIONED ON SOVIET CONCESSIONS OF A POLITICAL AND MILITARY CHARACTER.

AS FOR THEIR OWN VIEW, THE FIFTEEN ECONOMISTS REPORT, THAT, ON BALANCE, "THE COMMON SENSE CONCLUSION ABOUT EAST-WEST TRADE IS THAT BOTH SIDES GAIN -- OTHERWISE TRADE WOULD NOT CONTINUE -- BUT THAT IN NORMAL CIRCUMSTANCES NEITHER SIDE CAN REAP DISPROPORTIONATE BENEFITS."

THE REPORT'S ANALYSIS OF TRADE PATTERNS SHOWS MOVEMENT MAINLY OF WESTERN EXPORTS OF MANUFACTURED GOODS AND EASTERN EXPORTS OF BOTH MINERAL RAW MATERIALS AND LABOR-INTENSIVE MANUFACTURERS. AND THE ECONOMISTS CONCLUDE THAT PRESUMABLY, THE FUTURE GROWTH OF EAST-WEST TRADE WILL DEPEND LARGELY ON THE EXPANSION OF TRADE IN MANUFACTURERS.

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